



Early Years- Protecting What's Important with Life Insurance

Presented by Jeremy S. Dvorak, CFP®, CASL®

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Understanding Term Life Insurance

Term life insurance provides pure death benefit coverage for a specific period of time and is usually a less expensive option than permanent life insurance.

TYPE OF INSURANCE	PROS	CONS
TERM LIFE Enables you to purchase just the amount of death benefit coverage you need and can be a good choice when you know your need for coverage will disappear in the future.	<ul style="list-style-type: none">• Typically the least expensive life insurance• Purchase only the amount of coverage that you need	<ul style="list-style-type: none">• No cash value for you to access• Renewal premiums can be expensive if you extend coverage beyond your term• Extending or converting your policy may include additional medical or underwriting requirements

Consider term life insurance if you have:

- A limited budget
- A family with young children
- Short-term insurance needs
- A need to supplement an existing life insurance policy

Understanding Permanent Life Insurance

Permanent life insurance can provide flexible, lifelong protection. Each type of coverage offers its own advantages and disadvantages.

TYPE OF INSURANCE	PROS	CONS
WHOLE LIFE This straightforward policy features a level premium, and offers both a death benefit and cash-value potential.	<ul style="list-style-type: none">• Lifetime death benefit coverage• Fixed interest rate• Cash-value growth and access	<ul style="list-style-type: none">• Typically the most expensive• Non-adjustable premiums and face amount
UNIVERSAL LIFE Offers more flexibility around the death benefit amount, premium payment amount and optional features.	<ul style="list-style-type: none">• Lifetime death benefit coverage• The most flexible• Fixed interest rate• Most policies offer cash-value growth and access	<ul style="list-style-type: none">• May be more expensive than term insurance• Options and features can be confusing• Interest rate may be lower than other investments
INDEXED UNIVERSAL LIFE Your cash-value accumulation potential is based on positive changes in one or more stock market indexes, and your earnings are typically protected from downside risk.	<ul style="list-style-type: none">• Lifetime death benefit coverage• Flexible premiums• Cash-value growth and access• Downside market protection	<ul style="list-style-type: none">• Policy fees and expenses might be higher than other policies• Earning potential is lower than variable universal life because most policies are subject to rate caps
VARIABLE UNIVERSAL LIFE		

Needs Analysis Calculator

Needs Analysis Calculator



When purchasing life insurance, the question really isn't how much you need, but how much capital your family will need at the time of your death, which depends on two variables:

- **Expenses.** How much will be needed at death to meet immediate obligations? This amount takes into account all final expenses: uncovered medical bills, funeral and estate-settling costs, outstanding debts, mortgage balance, and college costs to name a few.
- **Income.** How much future income is needed to sustain the household? This is the number you'll arrive at after calculating the "present value" of cash-flow streams your family will need after your death.

[Calculate NOW →](#)

This estimated life insurance calculation is only intended to give you an overview of your insurance needs. For a comprehensive analysis, you should consider meeting with a qualified, licensed insurance professional.

Quick Summary

Lump Sum Expenses

Final Expenses	\$0
Outstanding Mortgage	\$0
Outstanding Debt	\$0
College Funding	\$0
Total Lump Sum Needs	\$0

Family Income Needs

Annual Income Need	\$0
Years to Provide Income	0

Present Value Calculations

Lump Sum Needs	\$0
+ Income Needs	\$0
= Total Needed at Death	\$0
- Current Savings	\$0
- Current Life Insurance	\$0
- Other Income	\$0

= Need For Additional Life Insurance

These policies have exclusions and/or limitations. The cost and availability of life insurance depend on factors such as age, health and the type and amount of insurance purchased. As with most financial decisions, there are expenses associated with the purchase of life insurance. Policies commonly have mortality and expense charges. In addition if a policy is surrendered prematurely, there may be surrender charges and income tax implications. Guarantees are based on the claims paying ability of the insurance company.

Susan Saver

- 36 Years old
- Married to Robert
- Has one child, Anthony, 4 years old
- Earns \$50,000/year
- Has some savings and a 401k



How to Make Our Money Last as Long as We do

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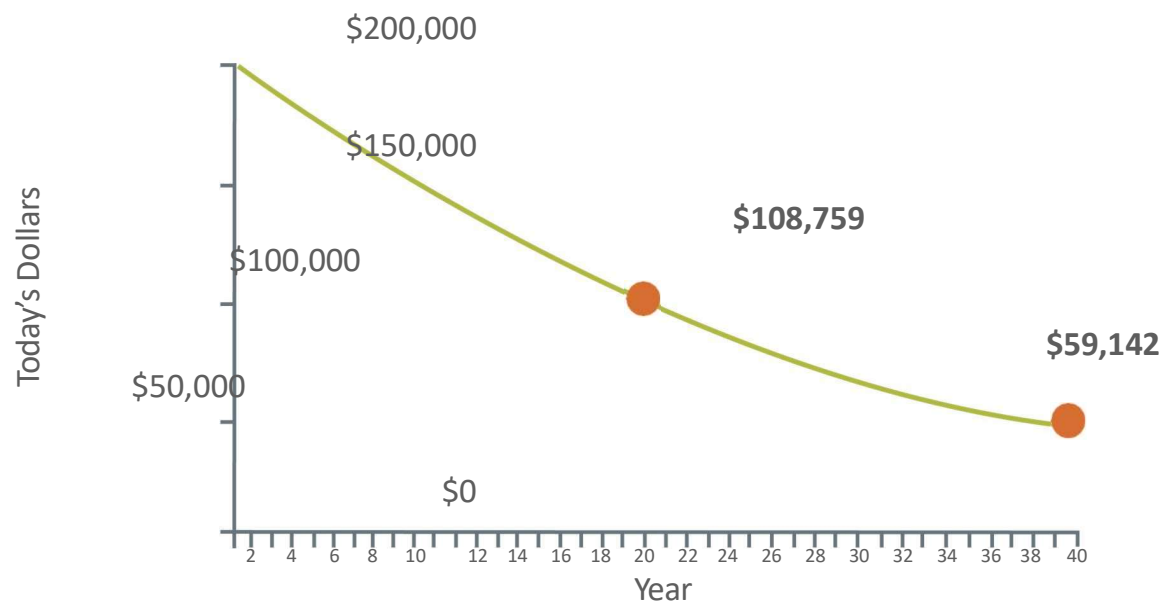


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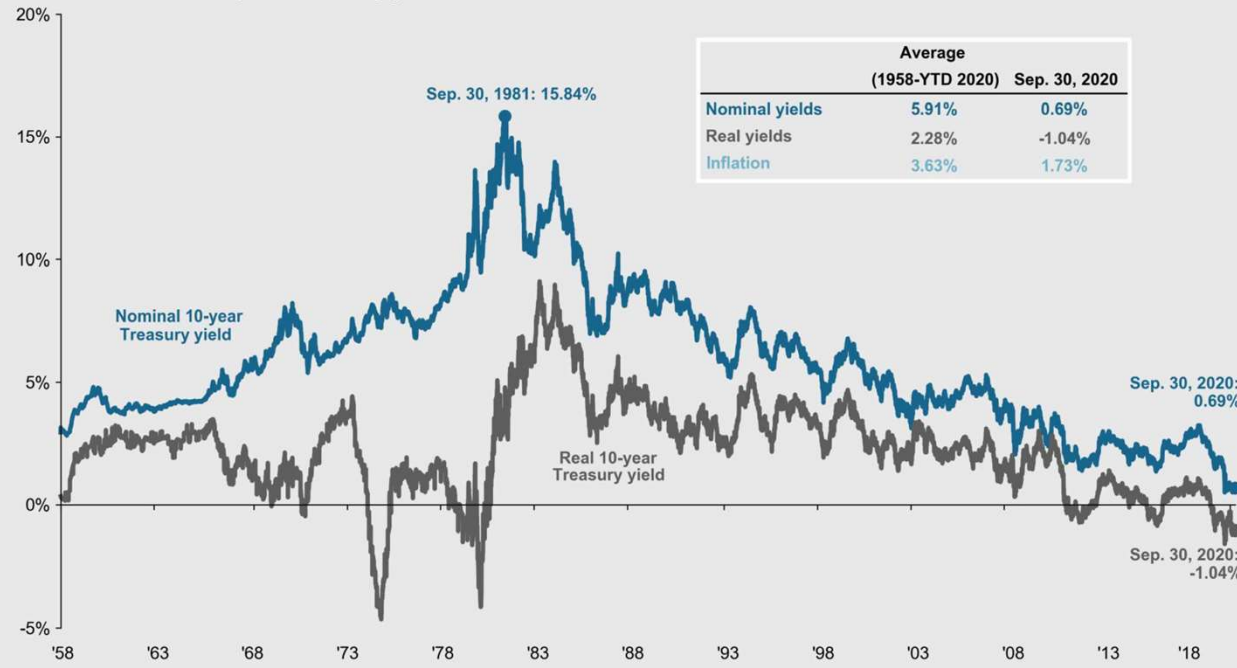
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Investment Fundamentals — The Effect of Inflation

Purchasing Power of \$200,000 at 3% Annual Inflation



Nominal and real 10-year Treasury yields



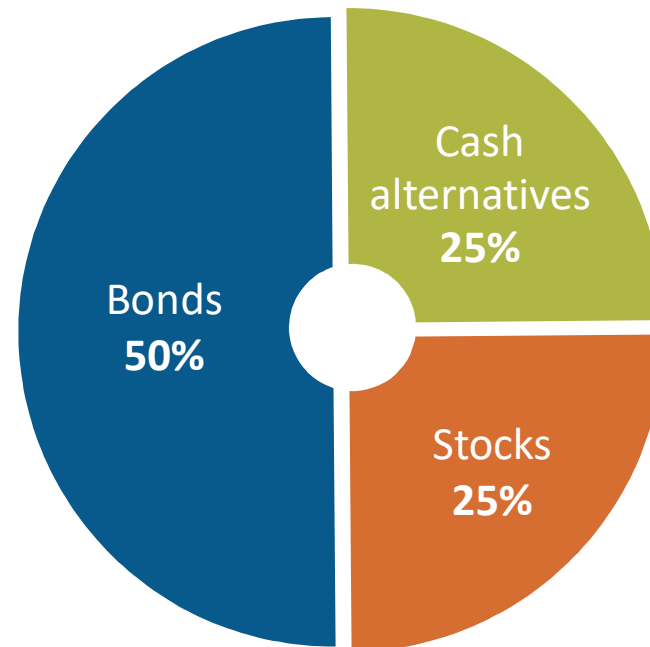
Source: BLS, FactSet, Federal Reserve, J.P. Morgan Asset Management.
 Real 10-year Treasury yields are calculated as the daily Treasury yield less year-over-year core CPI inflation for that month except for September 2020 where real yields are calculated by subtracting out August 2020 year-over-year core inflation.
 Guide to the Markets – U.S. Data are as of September 30, 2020.

Asset Allocation —

Sample Allocation Model

Conservative

A conservative asset allocation model will tend to focus on preserving principal



These asset allocation suggestions should be used as a guide only and are not intended as financial advice. They should not be relied upon. Past performance is not a guarantee of future results.

Asset class returns

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Investing
principles

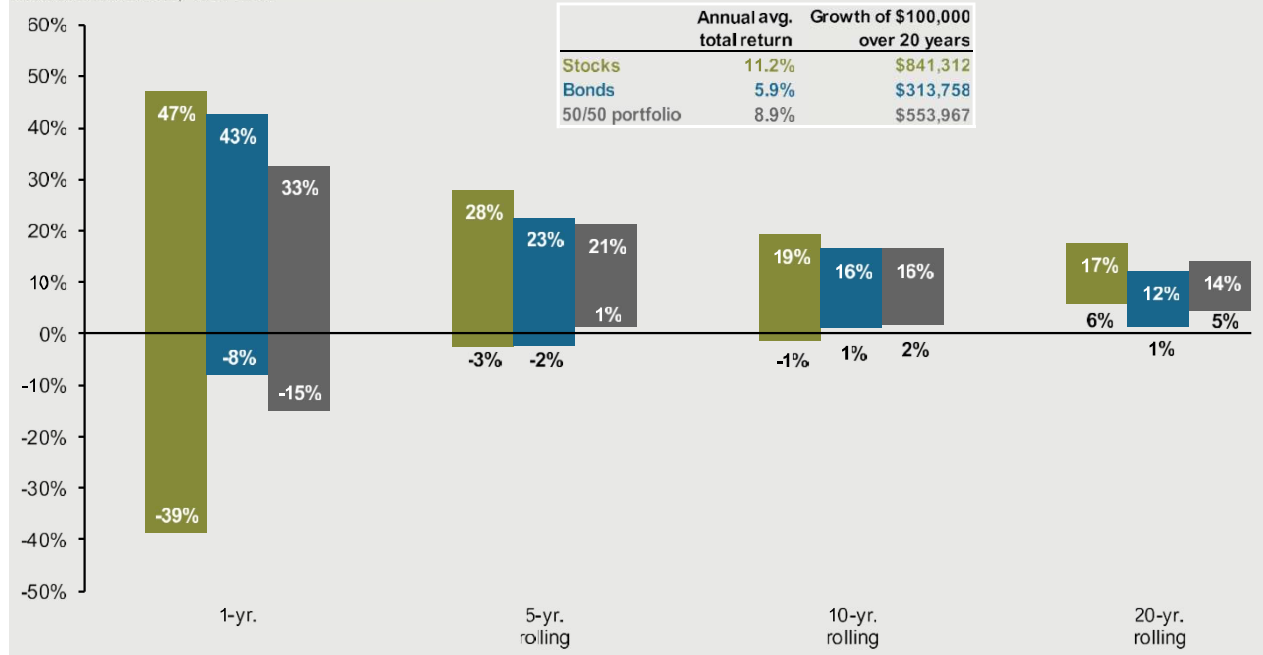
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD	2005 - 2019	
																	Ann.	Vol.
EM Equity	34.5%	REITs	EM Equity	Fixed Income	EM Equity	REITs	REITs	REITs	Small Cap	REITs	REITs	Small Cap	EM Equity	Cash	Large Cap	Fixed Income	Large Cap	REITs
	34.5%	35.1%	39.8%	5.2%	79.0%	27.9%	8.3%	19.7%	38.8%	28.0%	2.8%	21.3%	37.8%	1.8%	31.5%	6.8%	9.0%	22.2%
Comdty.	21.4%	EM Equity	Comdty.	Cash	High Yield	Small Cap	Fixed Income	High Yield	Large Cap	Large Cap	Large Cap	High Yield	DM Equity	Fixed Income	REITs	Large Cap	REITs	EM Equity
	21.4%	32.6%	16.2%	1.8%	59.4%	26.9%	7.8%	19.6%	32.4%	13.7%	1.4%	14.3%	25.6%	0.0%	28.7%	5.6%	8.3%	22.1%
DM Equity	14.0%	DM Equity	DM Equity	Asset Alloc.	DM Equity	EM Equity	High Yield	EM Equity	DM Equity	Fixed Income	Fixed Income	Large Cap	Large Cap	REITs	Small Cap	Cash	Small Cap	Comdty.
	14.0%	26.9%	11.6%	25.4%	32.5%	19.2%	3.1%	18.6%	23.3%	6.0%	0.5%	12.0%	21.8%	-4.0%	25.5%	0.5%	7.9%	18.6%
REITs	12.2%	Small Cap	Asset Alloc.	High Yield	REITs	Comdty.	Large Cap	DM Equity	Asset Alloc.	Asset Alloc.	Cash	Comdty.	Small Cap	High Yield	DM Equity	Asset Alloc.	EM Equity	Small Cap
	12.2%	18.4%	7.1%	-26.9%	28.0%	16.8%	2.1%	17.9%	14.9%	5.2%	0.0%	11.8%	14.6%	-4.1%	22.7%	-0.1%	7.8%	17.7%
Asset Alloc.	8.1%	Large Cap	Fixed Income	Small Cap	Small Cap	Large Cap	Cash	Small Cap	High Yield	Small Cap	DM Equity	EM Equity	Asset Alloc.	Large Cap	Asset Alloc.	High Yield	High Yield	DM Equity
	8.1%	15.8%	7.0%	-33.8%	27.2%	15.1%	0.1%	16.3%	7.3%	4.9%	-0.4%	11.6%	14.6%	-4.4%	19.5%	-0.6%	7.2%	17.3%
Large Cap	4.9%	Asset Alloc.	Large Cap	Comdty.	Large Cap	High Yield	Asset Alloc.	Large Cap	REITs	Cash	Asset Alloc.	REITs	High Yield	Asset Alloc.	EM Equity	EM Equity	Asset Alloc.	Large Cap
	4.9%	15.3%	5.5%	-35.6%	21.5%	14.8%	-0.7%	16.0%	2.9%	0.0%	-2.0%	8.6%	10.4%	-5.8%	18.9%	-0.9%	6.6%	14.0%
Small Cap	4.6%	High Yield	Cash	Large Cap	Asset Alloc.	Asset Alloc.	Small Cap	Asset Alloc.	Cash	High Yield	High Yield	Asset Alloc.	REITs	Small Cap	High Yield	DM Equity	DM Equity	High Yield
	4.6%	13.7%	4.8%	-37.0%	25.0%	13.3%	-4.2%	12.2%	0.0%	0.0%	-2.7%	8.3%	8.7%	-11.0%	12.6%	-6.7%	5.3%	10.9%
High Yield	3.6%	Cash	High Yield	REITs	Comdty.	DM Equity	DM Equity	Fixed Income	Fixed Income	EM Equity	Small Cap	Fixed Income	Fixed Income	Comdty.	Fixed Income	Small Cap	Fixed Income	Asset Alloc.
	3.6%	4.8%	3.2%	-37.7%	18.9%	8.2%	-11.7%	4.2%	-2.0%	-1.8%	-4.4%	2.6%	3.5%	-11.2%	8.7%	-8.7%	4.1%	10.0%
Cash	3.0%	Fixed Income	Small Cap	DM Equity	Fixed Income	Fixed Income	Comdty.	Cash	EM Equity	DM Equity	EM Equity	DM Equity	Comdty.	DM Equity	Comdty.	Comdty.	Cash	Fixed Income
	3.0%	4.3%	-1.6%	-43.1%	5.9%	6.5%	-13.3%	0.1%	-2.3%	-4.5%	-14.6%	1.5%	1.7%	-13.4%	7.7%	-12.1%	1.3%	3.4%
Fixed Income	2.4%	Comdty.	REITs	EM Equity	Cash	Cash	EM Equity	Comdty.	Comdty.	Comdty.	Comdty.	Cash	Cash	EM Equity	Cash	REITs	Comdty.	Cash
	2.4%	2.1%	-15.7%	-53.2%	0.1%	0.1%	-18.2%	-1.1%	-9.5%	-17.0%	-24.7%	0.3%	0.8%	-14.2%	2.2%	-12.3%	-2.6%	1.0%

Source: Barclays, Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.
 Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Barclays Global HY Index, Fixed Income: Bloomberg Barclays US Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg Barclays 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg Barclays US Aggregate, 5% in the Bloomberg Barclays 1-3m Treasury, 5% in the Bloomberg Barclays Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period of 12/31/04 - 12/31/19. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. Past performance is not indicative of future returns.
 Guide to the Markets - U.S. Data are as of September 30, 2020.

J.P.Morgan
 Asset Management

Range of stock, bond and blended total returns

Annual total returns, 1950-2019



Source: Barclays, Bloomberg, FactSet, Federal Reserve, Robert Shiller, Strategas/Ibbotson, J.P. Morgan Asset Management. Returns shown are based on calendar year returns from 1950 to 2019. Stocks represent the S&P 500 Shiller Composite and Bonds represent Strategas/Ibbotson for periods from 1950 to 2010 and Bloomberg Barclays Aggregate thereafter. Growth of \$100,000 is based on annual average total returns from 1950 to 2019.
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